

2013 DRAFTING REQUEST**Bill**

Received: 9/26/2013

Received By: btradewe

Wanted: As time permits

Same as LRB:

For: Brett Hulsey (608) 266-7521

By/Representing: Matt Veldran

May Contact:

Drafter: btradewe

Subject: Environment - mining

Addl. Drafters:

Extra Copies:

Submit via email: YES

Requester's email: Rep.Hulsey@legis.wisconsin.gov

Carbon copy (CC) to:

Pre Topic:

No specific pre topic given

Topic:

Frac sand mining monitoring positions and compensation

Instructions:

Like 13b0695

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	btradewe 10/18/2013						
/1	btradewe 2/8/2014	evinz 10/30/2013	rschluet 10/30/2013		lparisi 10/30/2013		State S&L
/2		evinz 2/11/2014	jmurphy 2/12/2014		lparisi 2/12/2014	lparisi 2/27/2014	State S&L

FE Sent For:

At
Intro.

<END>

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FE Sent For:	1/2 eev 2/11/14	1/2 eev 2/11/14	<END>	_____	_____		

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Instructions:

Like 130695

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/? btradewe

[Handwritten signature and date 9/26/13]

FE Sent For:

<END>

Tradewell, Becky

Subject:

FW: Rep. Hulsey Budget Amendments

Instructions for LRBb0695

From: Hanaman, Cathlene

Sent: Tuesday, June 18, 2013 11:24 AM

To: Gary, Aaron; Tradewell, Becky; Duchek, Michael; Mueller, Eric; Knepp, Fern; Malaise, Gordon; Kuesel, Jeffery; Kreye, Joseph; Shovers, Marc; Kunkel, Mark; Gibson-Glass, Mary; Gallagher, Michael; Kahler, Pam; Hurley, Peggy; Grant, Peter; Champagne, Rick; Kite, Robin; Shea, Elisabeth; Miller, Steve; Dodge, Tamara; Kuczenski, Tracy

Subject: FW: Rep. Hulsey Budget Amendments

There are seven amendments below. Greg would like them done for Hulsey.

From: Koutnik, Greg

Sent: Tuesday, June 18, 2013 11:20 AM

To: Hanaman, Cathlene

Subject: Rep. Hulsey Budget Amendments

Dear Cathlene,

7. Responsible Frac Sand Oversight Fund—\$1 per ton tax on frac sand mining

Under current nonmetallic mining law, frac sand miners must seek permits and follow certain regulations. This amendment levies a \$1 per ton fee on frac sand mining, the proceeds of which will go to one of two places:

- 20,370(3)(m8)
- a. Move \$1,117,000 of tonnage fee revenue to environmental management account and create 10.0 permanent positions for the DNR Bureau of Air Management to perform permitting, monitoring, and compliance related to sand mining operations.
 - b. After 'a' is accomplished, any left-over revenue will go to a fund devoted to off-setting local and community impacts caused by frac sand mining. Examples of potential impacts include: road repair, sand clean-up, mudslide mitigation, wetland repair, and other local impacts related to frac sand mining operations.

Thanks for your help! Please feel free to let me know if you have any questions.

I will email you details on amendments 1-4 shortly.

Greg Koutnik

Research Assistant

Office of State Representative Brett Hulsey

greg.koutnik@legis.wisconsin.gov

(608) 266-7521



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-3265/1

RCT.....

In 10/18

Friday
(cm)

Leev

2013 BILL

SAD
xref

Note

gen cat

- 1 AN ACT ...; relating to: monitoring industrial sand mining and processing
2 operations, a fee on the extraction of certain sand, compensation for costs
3 incurred because of sand mining, and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires a person who engages in the mining of frac sand (a type of sand that can be used to prop open rock fissures and increase the flow of natural gas or oil) to pay a fee of one dollar per ton of frac sand extracted.

The bill requires the Department of Natural Resources (DNR) to use a portion of the revenue generated from the fee imposed on frac sand mining to provide compensation to cities, villages, towns, and counties for costs incurred due to the impacts of frac sand mining, including costs of road repair and repairing damaged wetlands.

The bill also authorizes ten full time equivalent positions to the DNR for monitoring industrial sand mining and processing operations and provides funding for those positions from the environmental fund.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

BILL**SECTION 1**

1 **SECTION 1.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

3 **SECTION 2. Fiscal changes.**

4 (1) SAND OPERATION MONITORING. In the schedule under section 20.005 (3) of the
5 statutes for the appropriation to the department of natural resources under section
6 20.370 (3) (mq) of the statutes, as affected by the acts of 2013, the dollar amount is
7 increased by \$558,500 for the first fiscal year of the fiscal biennium in which this
8 subsection takes effect to increase the authorized FTE positions for the department
9 by 10.0 SEG positions for monitoring industrial sand mining and processing
10 operations. In the schedule under section 20.005 (3) of the statutes for the
11 appropriation to the department of natural resources under section 20.370 (3) (mq)
12 of the statutes, as affected by the acts of 2013, the dollar amount is increased by
13 \$1,117,000 for the second fiscal year of the fiscal biennium in which this subsection
14 takes effect to provide funding for the positions authorized in this subsection.

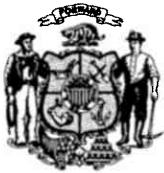
15 **SECTION 3. Initial applicability.**

16 (1) SAND MINING FEE. The treatment of section 295.24 (2) of the statutes first
17 applies to frac sand extracted on January 1, 2014.

18

(END)

Note



State of Wisconsin
2013 - 2014 LEGISLATURE



LRBb0695/1
RCT:kjf:jm

ASSEMBLY AMENDMENT,
TO ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO ASSEMBLY BILL 40

Insert to -3265/1

20.370 Natural Resources,
department of
(6) Environmental aids. (CS)

2013-14 2014-15

At the locations indicated, amend the substitute amendment as follows:

1. Page 159, line 4: increase the dollar amount for fiscal year 2013-14 by \$1,117,000 and increase the dollar amount for fiscal year 2014-15 by \$1,117,000 to increase the authorized FTE positions for the department of natural resources by 10.0 SEG positions for monitoring sand mining and processing operations.

2. Page 171, line 14: after that line insert:

(cs) Compensation for frac sand min-
ing impacts

SEG C 0

3. Page 334, line 2: after that line insert:

SECTION 20.370 (6) (cs) of the statutes is created to read:

20.370 (6) (cs) Compensation for frac sand mining impacts. From the environmental fund, from the moneys received under s. 295.24 (2), the amount by

Insert
starts
here

1 which those moneys exceed \$1,117,000 in each fiscal year for compensation for frac
2 sand mining impacts under s. 295.24 (3).[✓]

3 ~~4. Page 406, line 12: after that line insert:~~

4 ~~SECTION 211m.~~ 25.46[✓] (13) of the statutes is created to read:

5 25.46 (13) The moneys received under s. 295.24[✓] (2) for environmental
6 management.[✓]

7 ~~5. Page 1130, line 12: after that line insert:~~

8 ~~SECTION 2127p.~~ Chapter 295 (title) of the statutes[✓] is amended to read:
as affected by 2013 Wisconsin Act I,

9 **CHAPTER 295**

10 **NONMETALLIC MINING RECLAMATION;**

11 **OIL AND GAS;**

12 **FERROUS METALLIC MINING**

13 ~~SECTION 2127q.~~ Subchapter I (title) of chapter 295 [precedes 295.11] of the
14 statutes is amended to read:

15 **CHAPTER 295**

16 **SUBCHAPTER I**

17 **NONMETALLIC MINING RECLAMATION**

18 ~~SECTION 2127t.~~ 295.24[✓] of the statutes is created to read:

19 **295.24 Frac sand mining fee and community impact program. (1)**

20 **DEFINITIONS.** In this section:

21 (a) "Frac sand" means a type of industrial sand that can be used in deep well
22 applications to prop open rock fissures and increase the flow rate of natural gas or
23 oil.

24 (b) "Political subdivision" means a city, village, town, or county.

(2) FEE. (a) A person who engages in frac sand mining shall pay to the department a fee of \$1 for each ton of frac sand extracted by the person in this state.

(b) A person shall pay the fee under par. (a) for the frac sand extracted during a calendar quarter no later than the 30th day after the last day of the calendar quarter.

(3) COMMUNITY IMPACT PROGRAM. (a) From the appropriation under s. 20.370 (6) (cs), the department shall provide compensation to political subdivisions for costs incurred due to the impacts of frac sand mining, including costs incurred for road repair, cleaning up spilled sand, repairing damaged wetlands, and mitigating other environmental impacts.

(b) The department shall promulgate rules for the program under this subsection. *and of merit*

13 **6.** Page 1372, line 2: after that line insert:

“(2e) FRAC SAND MINING FEE. The treatment of section 295.24 (2) of the statutes first applies to frac sand extracted on July 1, 2013.”.

(END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3265/1dn

RCT:.....

Leev

date

Matt Veldran:

2013

* This draft is based on LRBb0695, relating to sand mining. I reduced the amount appropriated for the first year of the biennium because the fiscal year will be ^{at} about half over by the earliest time this draft could take effect.

Please contact me with questions or redraft instructions.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3265/1dn
RCT:eev:rs

October 30, 2013

Matt Veldran:

This draft is based on 2013 LRBb0695, relating to sand mining. I reduced the amount appropriated for the first year of the biennium because the fiscal year will be about half over by the earliest time this draft could take effect.

Please contact me with questions or redraft instructions.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: becky.tradewell@legis.wisconsin.gov

Tradewell, Becky

From: Veldran, Matt
Sent: Wednesday, January 29, 2014 1:23 PM
To: Tradewell, Becky
Subject: RE: Update of frac sand bill

Thanks, I'll double check w/Rep. Hulsey. We should move the application to March 1, 2014 though.

I'll get back to you,
Thanks again
Matt

From: Tradewell, Becky
Sent: Wednesday, January 29, 2014 1:22 PM
To: Veldran, Matt
Cc: Rep.Hulsey
Subject: RE: Update of frac sand bill

Matt,

The bill could be introduced as is or it could be changed by delaying its application to frac sand extracted on March 1, 2014, and reducing the appropriation for this fiscal year to reflect that the positions would not be filled until the current fiscal year is at least 3/4s over (or it could be delayed to the beginning of the next fiscal year -- July 1). Please let me know what you would prefer.

Becky Tradewell
Managing Attorney
Legislative Reference Bureau
266-7290

From: Veldran, Matt
Sent: Wednesday, January 29, 2014 1:07 PM
To: Tradewell, Becky
Cc: Rep.Hulsey
Subject: Update of frac sand bill

Becky,

Representative Hulsey would like you to update LRB – 3265 for introduction, if necessary.

Please contact me with any questions or clarifications with this bill.

Thanks,

Matt Veldran
Matt.Veldran@legis.wisconsin.gov

Office of Representative Brett Hulsey
Wisconsin State Assembly
District 78 serving Madison



State of Wisconsin
2013 - 2014 LEGISLATURE

50006u 2/8)



LRB-3265/2 2

RCT:eev:rs

VMY

2013 BILL

regu

1 AN ACT *to amend* chapter 295 (title) and subchapter I (title) of chapter 295
2 [precedes 295.11]; and *to create* 20.370 (6) (cs), 25.46 (13) and 295.24 of the
3 statutes; **relating to:** monitoring industrial sand mining and processing
4 operations, a fee on the extraction of certain sand, compensation for costs
5 incurred because of sand mining, granting rule-making authority, and making
6 an appropriation.

Analysis by the Legislative Reference Bureau

This bill requires a person who engages in the mining of frac sand (a type of sand that can be used to prop open rock fissures and increase the flow of natural gas or oil) to pay a fee of one dollar per ton of frac sand extracted.

The bill requires the Department of Natural Resources (DNR) to use a portion of the revenue generated from the fee imposed on frac sand mining to provide compensation to cities, villages, towns, and counties for costs incurred due to the impacts of frac sand mining, including costs of road repair and repairing damaged wetlands.

The bill also authorizes ten full-time equivalent positions to DNR for monitoring industrial sand mining and processing operations and provides funding for those positions from the environmental fund.

BILL

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

✓
1 **SECTION 1.** 20.370 (6) (cs) of the statutes is created to read:

2 20.370 (6) (cs) *Compensation for frac sand mining impacts.* From the
3 environmental fund, from the moneys received under s. 295.24 (2), the amount by
4 which those moneys exceed \$1,117,000 in each fiscal year for compensation for frac
5 sand mining impacts under s. 295.24 (3).

✓
6 **SECTION 2.** 25.46 (13) of the statutes is created to read:

7 25.46 (13) The moneys received under s. 295.24 (2) for environmental
8 management.

✓ ✓
9 **SECTION 3.** Chapter 295 (title) of the statutes, as affected by 2013 Wisconsin
10 Act 1, is amended to read:

11 **CHAPTER 295**

12 **NONMETALLIC MINING RECLAMATION;**

13 **OIL AND GAS;**

14 **FERROUS METALLIC MINING**

15 **SECTION 4.** Subchapter I (title) of chapter 295 [precedes 295.11] of the statutes
16 is amended to read:

17 **CHAPTER 295**

18 **SUBCHAPTER I**

19 **NONMETALLIC MINING RECLAMATION**

✓
20 **SECTION 5.** 295.24 of the statutes is created to read:

BILL**295.24 Frac sand mining fee and community impact program. (1)**

DEFINITIONS. In this section:

(a) "Frac sand" means a type of industrial sand that can be used in deep well applications to prop open rock fissures and increase the flow rate of natural gas or oil.

(b) "Political subdivision" means a city, village, town, or county.

(2) FEE. (a) A person who engages in frac sand mining shall pay to the department a fee of \$1 for each ton of frac sand extracted by the person in this state.

(b) A person shall pay the fee under par. (a) for the frac sand extracted during a calendar quarter no later than the 30th day after the last day of the calendar quarter.

(3) COMMUNITY IMPACT PROGRAM. (a) From the appropriation under s. 20.370 (6) (cs), the department shall provide compensation to political subdivisions for costs incurred due to the impacts of frac sand mining, including costs incurred for road repair, cleaning up spilled sand, repairing damaged wetlands, and mitigating other environmental impacts.

(b) The department shall promulgate rules for the program under this subsection.

SECTION 6. Fiscal changes.

(1) SAND OPERATION MONITORING. In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of natural resources under section 20.370 (3) (mq) of the statutes, as affected by the acts of 2013, the dollar amount is increased by ~~\$558,500~~ ^{9/ 279,250} for the first fiscal year of the fiscal biennium in which this subsection takes effect to increase the authorized FTE positions for the department by 10.0 SEG positions for monitoring industrial sand mining and processing

BILL**SECTION 6**

1 operations. In the schedule under section 20.005 (3) of the statutes for the
2 appropriation to the department of natural resources under section 20.370 (3) (mq)
3 of the statutes, as affected by the acts of 2013, the dollar amount is increased by
4 \$1,117,000 for the second fiscal year of the fiscal biennium in which this subsection
5 takes effect to provide funding for the positions authorized in this subsection.

SECTION 7. Initial applicability.

7 (1) SAND MINING FEE. The treatment of section 295.24 (2) of the statutes first
8 applies to frac sand extracted on January 1, 2014. *March*

(END)

Parisi, Lori

From: Veldran, Matt
Sent: Thursday, February 27, 2014 10:16 AM
To: LRB.Legal
Subject: Draft Review: LRB -3265/2 Topic: Frac sand mining monitoring positions and compensation

Please Jacket LRB -3265/2 for the ASSEMBLY.

Thanks,

Matt Veldran
Matt.Veldran@legis.wisconsin.gov

Office of Representative Brett Hulsey
Wisconsin State Assembly
District 78 serving Madison

Room 5 North
Wisconsin State Capitol
Madison, WI 53708
Office: 608-266-7521